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Memorandum
by Council's Administrative Office

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: June 28, 2004

Approved

Kay Winn

Date

7/2/04

INFORMATION

**SUBJECT: SURVEY OF TEACHER HOMEBUYER PROGRAM (THP) RECIPIENTS
AND TEACHER RENTAL HOUSING SURVEY**

BACKGROUND

In March of 1999, Mayor Gonzales unveiled a program to make the City of San Jose the most teacher friendly city in the nation. A significant part of this initiative was the new Teacher Homebuyer Program (THP), which was designed to retain and attract talented and dedicated teachers in San Jose's public schools. The program, now five years old, provides zero interest, deferred loans of up to \$40,000 to public school teachers teaching in San Jose schools to help them purchase a home in the community in which they work. To date, the City has invested more than \$16 million, which has leveraged another \$109 million, to assist over 421 teachers in purchasing their own homes. The program has been recognized as a national model for improving recruitment and retention of high-quality teachers.

In order to assess the success of the THP in helping retain public school teachers in San Jose, the City conducted a survey to determine whether teachers assisted by the program continue to be employed in San Jose schools. In addition, the Department conducted a survey of teachers and other school employees to assess their interest in purchasing a home and/or in renting an apartment in a development designed specifically for teachers and other school workers.

This memorandum reports the results of the two surveys that the Housing Department has conducted.

ANALYSIS

"Are You Still Teaching?" Survey Results - In February 2004, Housing Department staff conducted a survey of teachers who were assisted by THP between March 1999 and March 2002. Of the 171 teachers who responded, 167 (98%) continue to teach in San José. Four of the teachers contacted are no longer teaching in San José. One is now employed as an administrator at a San José school, two are now teaching in other cities, and the fourth has since left teaching and embarked on a career in business.

“Rental Housing” Survey Results – A second survey was also conducted to determine the interest in teacher rental housing developments. The survey was distributed to public school employees in nineteen districts to assess interest in the four rental housing developments targeted towards teachers, and to assess the possibility of extending the program to other public school district employees. The Department received 301 completed surveys; an estimated 3% of the surveys distributed.

Teachers comprised 72% of all respondents. The remaining 28% of respondents were administrative and support staff, as well as nurses, counselors, and custodians. Of teacher respondents, 39% indicated that they would be interested in one or more of the four developments targeted to teachers.

Of teachers who are currently renting, 68% indicated an interest in the affordable rental housing developments. Of the non-teacher population, 70% indicated interest in the four affordable rental developments.

Slightly more than two-thirds of all respondents are currently renters. An equal number of teacher renters (68%) and non-teacher renters (67%) indicate that they anticipate purchasing a home within the next five years. While 25% of all teacher respondents fall within the moderate-income range, only 6% of the non-teachers fall within this same income range, where homeownership is more feasible. Furthermore, as many as 90% of non-teachers have salaries which may qualify them for lower-income rental housing; 66% of teachers also have lower-incomes. The remaining 9% of teachers and 4% of non-teachers have household incomes that exceed either the low-income or moderate-income requirements.

Given the income levels of respondents, it appears that a large number of teachers continue to be eligible for some level of affordable housing. Interest in homeownership among teachers also remains high and indicates a continuing need for homebuyer assistance programs like the Teacher Homebuyer Program and the Neighborhood Housing Services Silicon Valley Home Venture Program. The survey demonstrates that a large percentage of non-teachers could qualify for lower-income rental housing, and are more likely to remain renters longer because of the high cost of homeownership relative to their household income.

Should you have any questions about these two surveys, please feel free to contact me at X3863.


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